

POLITICAL ECONOMY

Course code	ECO106
Compulsory in programs	Economics and Politics, Economics and Data Analytics
Level of studies	Undergraduate
Number of credits	6 ECTS: 48 contact hours + 110 hours of individual study + 2 midterm hrs. + 2 hrs for final exam.
Course coordinator	Dr. Vincentas Vobolevičius, vinvob@ism.lt
Prerequisites	None
Language of instruction	English

AIM OF THE COURSE

At the end of the course students will have learned two things: 1) key theories of economic growth and their track record in the policy world; 2) effects that political institutions have on politicians' implementation of economists' recommendations. A combination of these perspectives will endow students with a more sophisticated understanding of the reason why economic growth has been elusive outside a handful of countries (to borrow a phrase from the course textbook) and of the challenges as well opportunities that lie ahead.

MAPPING OF COURSE LEVEL LEARNING OUTCOMES (OBJECTIVES) WITH DEGREE LEVEL LEARNING OBJECTIVES (See Annex), ASSESSMENT AND TEACHING METHODS

Course level learning outcomes (objectives)	Degree learning objectives (# of LO)	Assessment methods	Teaching methods
CLO1. Analyze key theories on Economic Growth, list their assumptions, empirical predictions and real-world effects;	ELO 1.1. ELO 1.2. ELO 2.1	Midterm exam & seminar grade	Lectures, readings & debates
CLO2. Model consequences of political institutions (electoral systems and governing rules) as agendasetting tools of economic policy	ELO 1.1. ELO 1.2.	Midterm exam & seminar grade	Lectures, readings & debates
CLO3. Identify consequences of social conditions (corruption, income inequality, demographic transition) for economic growth	ELO 1.1. ELO 1.2.	Final exam & seminar grade	Lectures, readings & debates
CLO4. Identify patterns and consequences of economic policies (foreign aid, domestic aid to industries, anti-corruption measures, income redistribution, etc.)	ELO 1.1. ELO 1.2. ELO 2.1.	Final exam & seminar grade	Lectures, readings & debates
CLO5. Work in groups, facing time constraints.	ELO 4.1.	Seminar grade	Seminar debates
CLO6. Present and defend discussion results in a seminar setting.	ELO 4.1. ELO 4.2.	Seminar grade	Seminar debates

ACADEMIC HONESTY AND INTEGRITY

The ISM University of Management and Economics Code of Ethics, including cheating and plagiarism are fully applicable and will be strictly enforced in the course. Academic dishonesty, and cheating can and will lead to a report to the ISM Committee of Ethics. Regarding remote learning, ISM reminds students that they are expected to adhere and maintain the same academic honesty and integrity that they would in a classroom setting

Week	Topics	Hours	Assignments
1	Introduction and Capital-based Growth Harrod-Domar Model, Big Push and Modernization <i>Dependencia</i> and Import Substitution Industrialization	4	Easterly, 2001 , Ch.2. Hout, 2016
2	Technological Progress as the Engine of Growth Solow model and exogenous growth Romer model and endogenous growth Washington Consensus and beyond	4	Easterly, 2001 , Ch 3. Birdsall et. al., 2010
3	Introduction to Political Institutions Role of government in promoting growth Political regimes and the effectiveness of foreign aid Democratic institutions and outcomes of trade policy	4	BDM & Smith, 2008 . McGillivray, 2007
4	Origins of Political Institutions Varieties of Capitalism (VoC)		Cusack et. al., 2007

	Political institutions in former communist countries		
5	Income Inequality and Politics of Redistribution Origins and economic outcomes of income inequality Types and economic outcomes of income redistribution Determinants of the extent of income redistribution	4	Piketty & Saez, 2003 Iversen & Sockice, 2017
6	Model Extension Seminar	4	
	Midterm Examination		
7	Population Ageing and Politics of Fertility Economic consequences of population ageing Economic reasons for a decline in fertility Determinants of family / fertility policies	4	Becker & Barro, 1986 Afonso, 2019
8	Model Extension Seminar		
	Corruption and Politics of Transparency Types and economic consequences of corruption Strategies for preventing bureaucratic corruption Determinants of preventing political corruption	4	Bowles, 2009 Kunicova & Ackerman, 2002
9	Model Extension Seminar	4	
11	Climate change & Politics of the Environment Extent and economic consequence of climate change Strategies for preventing / abating climate change Determinants of the stringency of environmental policy	4	Finnegan, 2019
12	Model Extension Seminar	4	
	Total in class hours	48	
	Final Examination	2	
	Consultations	2	

FINAL GRADE COMPOSITION

Type of assessment	Weight
Components of the final grade:	
Model extension seminars	20%
Midterm examination	40%
Final examination	40%
TOTAL	100%
Components by type	
- Individual work	100%
TOTAL	100%

DESCRIPTION AND GRADING CRITERIA OF EACH ASSIGNMENT

Midterm exam will consist of open short-answer questions. It will take place during the midterm session and will comprise 40% of the final grade. The midterm will be based on topics 1-4.

The final will consist of open short-answer questions. It will take place during the finals' session and will comprise 40% of the final 3 grade. The midterm will be based on topics 5-12.

Model extension seminars will consist of student presentations on influential political economy models pertaining to material taught in class. Each student will be assigned a theoretical "spin-off" from a seminal model discussed in class (i.e. a newer model that builds on older models, discussed in the lecture). Students will present assumptions, causal mechanism and main hypothesis of the "spin off" model and then will extend that model by modifying one or more of its assumptions, as instructed by the lecturer. Detailed instructions for model extensions will be provided during the first lecture.

Assessment requirements, procedures, and other important regulations may be communicated verbally during lectures. Failure to attend a lecture where such information is provided does not exempt the student from the responsibility to comply with these requirements.

RETAKE POLICY

In case of a negative final grade, students can sit for a retake exam. Such an exam will cover all course material. The weight of a retake is 80%. Seminar participation grade is not subject to retake, but its evaluation (if positive) will count towards the final grade with the retake exam.

COURSE SPECIFIC AI GUIDELINES

All course participants must comply with the ISM University of Management and Economics Artificial Intelligence Policy published on E-learning platform.

Students may use AI tools while preparing **Model extension presentations** to enhance their understanding of the topic, brainstorm, identify relevant theories, and find applicable examples and check their grammar. AI-generated content is not a reliable academic source and should be cross-verified with scholarly sources. All AI usage must be acknowledged on the final slide of Model extension presentation, (following the List of References).

The use of AI tools during **Midterm and Final Exams** is not permitted under any circumstances.

ANNEX

DEGREE LEVEL LEARNING OBJECTIVES

Learning objectives for the Bachelor of Social Science

Programmes:

Economics and Data Analytics,

Economics and Politics

Learning Goals	Learning Objectives
Students will be critical thinkers	ELO1.1. Students will be able to understand core concepts and methods in the key economics disciplines
	ELO1.2. Students will be able to identify underlying assumptions and logical consistency of causal statements
Students will have skills to employ economic thought for the common good	ELO2.1. Students will have a keen sense of ethical criteria for practical problem-solving
Students will be technology agile	ELO3.1. Students will demonstrate proficiency in common business software packages
	ELO3.2. Students will be able to make decisions using appropriate IT tools
Students will be effective communicators	ELO4.1. Students will be able to communicate reasonably in different settings according to target audience tasks and situations
	ELO4.2. Students will be able to convey their ideas effectively through an oral presentation
	ELO4.3. Students will be able to convey their ideas effectively in a written paper